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ART. VI. — THE LABOR QUESTION.

THE most thankless service which can be rendered to man is that of showing him what he cannot do. —When he has set his heart upon an object, and is striving after its accomplishment, in what seems to him the most promising way, he does not like to be told either that the object itself is unattainable or that the way he has adopted does not lead to it. No matter how conclusive the demonstration may be, he is pretty sure to regard him who presents it as an enemy. And yet it is a serious question whether modern scientific investigation has not done more for us in this indirect way than in any other. When an end is to be attained many ways of doing it present themselves to the mind. If the impracticability of any one is demonstrated, the labor of trying it is saved, and the attention may be confined to those which are more practicable. The establishment of the simple fact that power cannot be generated by machinery, or, in common language, that perpetual motion is impossible, has alone kept an amount of mechanical ingenuity from being wasted on an unattainable object which can hardly be over-estimated.

The present labor party stands greatly in need of such help. We see a vigorous effort on the part of a class of laborers to improve their condition by the instrumentality of legislation. This class has attained a certain middle stage of moral and intellectual development. Its members are fully conscious of possessing rights which the rest of the world is bound to respect, and are quite ready to enforce their rights by every proper means, but they are still deficient in that thorough understanding of the complicated machinery of modern society which alone can enable them to foresee the ultimate effect upon their own interests of the measures they wish to adopt. It would not, therefore, be strange should we find them engaged in pushing forward measures which must ultimately be prejudicial to their own interests. In so far as this is the case, no greater kindness can be done them than to point out to them wherein their exertions must fail to accomplish their object.

The term "laboring classes" is so vague that we shall be

led into confusion unless we define with greater precision the class whose interests are to be considered. In the widest sense of the term every man who exerts his faculties in satisfying the wants of his fellow-men is a laborer, no matter whether those faculties are physical or intellectual, whether the wants are those of body or mind. The opposing class of capitalists consists of the owners of the machinery, tools, and raw materials on which and with which labor is employed. Their income consists of the interest paid them for the use of their capital. The distinction between the services rendered by these two classes is well defined, but it is hard to draw a line between the individual members of the two classes. Every carpenter who owns the tools he works with is, to that extent, a capitalist, and every man actively engaged in business is a laborer, however large may be the capital he employs. The class of capitalists proper, that is, of men who live on the interest of their money, without exertion, is quite small in this country.

The impossibility of drawing a sharply defined line between the laborer and the capitalist need not, however, cause us any difficulty in our present discussion, since it is easy to consider separately the interests of each man as laborer and as capitalist. Laborers, in the wide sense of the term just now adopted, may be roughly divided into three classes.

(1.) Unskilled laborers, or those whose occupation requires the use of no faculty except muscular strength.

(2.) Skilled laborers, whose occupation requires a special training of the hand or of the senses, more especially of the eye, the ear, or the touch. This class, including mechanics of every kind, is that from which trades unions are formed.

(3.) Intellectual laborers, whose occupation requires mainly mental ability. This class includes not only professional men, but all whose business consists in planning, directing, or managing.

The present army of labor is recruited almost entirely from the second class. Among its emblems we find the plane, the trowel, and the hammer, but not the hod or the shovel. Farm hands are never found in labor conventions. Diggers on railroads sometimes strike, but they receive no pecuniary aid from

labor unions. If teamsters or hod-carriers ever marched in an eight-hour procession it was not in the hope of any other spoils than such as their superiors might choose to leave them. Yet if we are to consider the feasibility of dividing the products of human labor among the producers in proportion to the exertions of each, the neglected class of unskilled laborers will first claim our attention. From this point of view that class has more cause of complaint than any other. If we watch the erection of a building we find employed on the work hod-carriers, bricklayers, master-workmen, and an architect. If all these classes were equally well paid, and any one equally capable of performing the duties of any class were called on to choose to which he would belong, his first choice would undoubtedly be the duties of the architect, and his last those of the hod-carrier. From the ethical point of view we have suggested the occupation of the hod-carrier, being most disagreeable, should be the best remunerated, and that of the architect the least well paid. But we find the actual scale of remuneration to increase in the opposite direction. The bricklayer receives from two to three times the wages of the hod-carrier, the master-workman more than the bricklayer, and the architect more than both together. The same law will be recognized as extending almost universally through society. It would be easy to show that this is a necessary result of circumstances over which society has no control, were it not foreign to our present object. That object is to make it clear that the class actively engaged in the present labor movement forms but a fraction of the laboring population, and by no means that fraction which, from its own point of view, has most cause of complaint.

The class whose interests ought to be kept in sight in this discussion includes all who are unable to live upon the interest of their capital, and who are therefore obliged to labor with head or hand. This class, with their families, which belong to it, numbers, no doubt, more than forty-nine out of every fifty of our population. If we include only those who, from insufficiency of income, are unable to supply their current wants, and so feel themselves under constant pecuniary pressure, we shall probably include nine tenths of the whole popu-

lation. In round numbers, there are thirty-six millions of people in this country whose interests we are now to consider.

When we try to view so large a field from the stand-point of every-day life our horizon is too limited to see things in all their bearings. Let us then, in imagination, raise ourselves to a position whence we can comprehend the interests of these thirty-six millions in a single view. We find them all in want of things which may be classified under the general heads of food, clothing, shelter, and home comforts. The ultimate object of all organized movements among laborers is to secure a better supply of these necessities, or, which amounts to the same thing, to keep up their present supply with a less expenditure of labor. Let us now see how this object can be secured.

We begin with shelter. The classes under consideration occupy perhaps three millions of houses. But the houses are neither so spacious nor so convenient as is desirable. Some are in need of repairs, others are too small, and need enlarging. New families are forming, and new houses are wanted for them. The most urgent want of the laboring classes is to have their houses repaired, improved, or rebuilt. How can this be done? The answer is a truism, but one of that large class of truisms which we constantly overlook. We must have more mechanical work done on houses. We must set more carpenters, bricklayers, plasterers, and painters at work, or those whom we already have must work more industriously or more effectively. If our present supply of mechanics cannot keep the entire population supplied with good houses, no legislation will enable them to do so. It takes a certain number of days' work to build or repair a house, and when we multiply the number of house-builders by the three hundred we have the entire number of days' work which can be spent on houses in the course of the year. As an increased expenditure of labor on houses is necessary to supply the first want of the laborer, so, if universally applied, it is sufficient. If the size and convenience of all the houses in the country were doubled, they would still have to be occupied by the same classes who now occupy them, and the laborers would enjoy their full share of the advantage. Even if all the additional labor were spent in building new houses for the wealthy, laborers would still get

a good share of the benefit. The old houses vacated by the owners of the new ones would now be for sale or rent to the class which came next in wealth; the latter would vacate houses for the class below them, and this operation would continue to the bottom of the scale.

The results of this survey may be summed up by saying that it is a physical impossibility for laborers to enjoy better shelter unless the present houses are rebuilt or improved; that they cannot be rebuilt or improved without expending more mechanical labor, and that if more mechanical labor is expended on houses, the laborers will enjoy their full share of the benefit. Such being the case, it might naturally be supposed that a general organized effort on the part of the laborers to improve their condition would have for its first object to increase in every possible way the size and number of houses to be built, and therefore to increase as much as possible the number of house-builders, and the amount of work each builder should do in a day, these being necessary prerequisites to the enjoyment of better houses. Singular as it would seem to one not acquainted with their history, we find all the efforts of labor unions exerted in the opposite direction.

We find among their rules one which limits the number of apprentices who shall be allowed to learn how to build any part of the house, the object being to keep the number of house-builders as small as possible. This rule is enforced by each individual pledging himself to work for no master who takes more than the prescribed number of apprentices. We also find that, whenever there is a strike of the bricklayers, carpenters, or any other class of men engaged in building houses, the labor unions, instead of being impatient at the stoppage of work upon houses, and the consequent injury to their prospect of improved houses to live in, always give every encouragement to the strikers, and support them with liberal grants of money. We also find that when trades unions have regulated the amount of work their members may do, their object has not been to increase this amount, but to diminish it. No bricklayers' union has, we believe, ever required that its members should come up to any standard of efficiency. But rules prohibiting members from laying more than a certain number of bricks—generally a

thousand — per day are common, if not universal. Finally, we know very well that the object of the present labor party is still further to limit the amount of house-building that can be done by diminishing the number of hours that mechanics shall be allowed to work. It is clear that if the community is insufficiently supplied with houses when builders work ten hours a day, the case will be yet worse under the eight-hour system.

Next to shelter better clothing is perhaps the greatest want of the laboring classes. Probably four fifths of our laborers are in want of a Sunday suit for themselves or of a decent wardrobe for their wives and children. To furnish the Sunday suits for the heads of families alone, about thirty million yards of cloth are absolutely necessary. Before this cloth can be got new factories must be built or the old ones must be enlarged, new machinery must be set going, more freight cars or ships must be employed to transport the cloth, and new warehouses must be built to store it until each laborer is ready to buy his share. When all this is done there must be tailors enough to make it up. And all the factories, cars, warehouses, and tailors must be additional to what was necessary to keep up the old supply of ordinary clothes, else the latter will fail.

Yet we find the labor unions, as a rule, ready to obstruct every one of these processes by every device in their power. If a combination of European paupers and capitalists offers to furnish the cloth at a price so low that the laborer can well afford it, government will try to stop the purchase by a protective duty, and the very laborers who want the cloth generally support this policy. If the bricklayers who are erecting the factory which is to make the cloth, or the masons who are building a warehouse to store it, happen to stop work through a quarrel with their employers, every trades union in the country will contribute money for their support, and will prohibit their members from taking their places on the work. If the tailors strike, they also are sure of liberal support from the hard-earned wages of the very men who most want the clothes they might be making.

The present labor movement thus presents us with the paradox of a network of organizations, extending over the country, actively engaged in obstructing the measures most necessary

for supplying the wants of their individual members. Thirty-five millions of people are in want of houses, clothing, food, and home comforts, and the most active of them are organized into trades unions whose principal object is directly or indirectly to limit in every practicable way the production of houses and clothing, and of some home comforts. The conclusion seems inevitable that the efforts of these organizations do not tend to improve the condition of their members. This improvement can be effected only by a policy which shall have for its object to increase the number of skilled laborers, to keep them constantly employed, and to make their labor as effective as possible. Unhappily, the strife after the highest wages stands in the way of any such policy, and the question of the exact benefit of high wages next demands our attention.

It is commonly thought that, if the laborer can only succeed in getting better wages, he is necessarily better off. If the increase is confined to a single class the opinion is quite correct. Common sense shows that the condition of an individual laborer is improved when he gets higher wages, provided always that he can purchase everything he wants at the same rate as before. But if he has to give more for everything he buys in the same proportion with his increase of wages, — if, for instance, having his weekly wages increased from fifteen to twenty dollars, he has to give one-third more for everything he wants, — common sense shows equally that he is no better off than before. Now it is a proposition susceptible of mathematical demonstration, that, if every one receives an increase of compensation in a fixed ratio for everything he does, and every service he renders, the cost of everything one has to buy will be increased in the same ratio, and no one will gain anything. To illustrate this principle, let us begin with the class of carpenters. If all the carpenters in the country have their wages increased one third, without doing any more work than before, the cost of all the houses built will be increased by one third the value of the carpenters' work. This increased cost must finally come out of the pockets of all occupants of houses, laborers included, in the form of increased rent if they be tenants, or increased cost of purchase if they be owners. If only the carpenters received the increase of wages, the burden of

the increased cost, being divided among the whole mass of their fellow-citizens, will be light. But if the lumbermen, the brickmakers, the bricklayers, the painters, and every one else engaged in house-building, get a similar increase of wages, the cost of everything which goes into a house will be increased one third, and the entire population, laborers included, must pay one third more for their houses.

The same rule applies to everything which the laborer has occasion to buy. The price we pay for any article is divided amongst the several producers of it in the shape of wages or profits. If every one engaged in the production of food has his compensation increased a third, all the food bought must cost one third more. Continuing the same course of reasoning throughout the community, we see that when every one has his income increased by one third no one is any better off than before.

Corresponding to this proposition is another of equal importance. If every one in the community performs one third more labor for his present wages, the entire community will be one third better off than before. Houses one third more valuable can then be built for the same money, and, in consequence, every one who occupies a house will be able to get one a third better at the present rent, or for the present price. The same effect will extend through everything the laborer wants to eat, drink, or wear. He will be able to command one third more of articles, or articles one third better, for the same money he now pays. This verifies the conclusion to which we were first led from our review of the wants of the country. The laboring classes can have their condition improved, not by a general increase of wages, but only by a general increase in the effectiveness of their labor.

An objection may be raised to this conclusion, that it is reached only by carrying the increase of wages a great deal farther than the advocates of labor reform propose. We have, in fact, supposed that every one, laborer, tradesman, and capitalist, gets one third more money for whatever service he renders the community. For instance, according to our hypothesis, when the carpenter goes to market with one third more money in his pocket, he finds that everything costs one third

more, because the huckster, the farmer, the wagoner, and the farm laborer all have an increase of one third in their wages and profits. But the labor party may say that they intend to confine the increase to the wagoner and the farm laborer, to the exclusion of the farmer and the huckster; that then the cost of the vegetables will be increased only by the third of the wages of the laborers proper, which will perhaps make an increase of not more than one sixth of the entire cost; and that, if this can be effected, the carpenter will gain by the amount of one half his increase of wages.

Let us see how far this objection is valid. And, first, let us see what ground it does not cover. It does not diminish the absurdity we have commented upon in the efforts of the labor unions to restrict production. An organized effort to have as little house-building done as possible is one thing; an effort to obtain an increase of wages for doing the same amount of building is quite another thing. The former works evil to everybody who wants a house to live in, be he laborer or capitalist; the latter benefits those who get the increase of wages at the expense of those who do not, by making the latter pay more for the same service. The benefit received by the increase of wages will keep growing smaller as the increase is extended to other classes, and will vanish entirely when extended to all. If any member — and the same is true of any class — of the community thinks himself insufficiently paid, he has a perfect right to get more if he can. If the labor movement is a general effort on the part of the laboring classes to benefit themselves at the expense of their fellow-men, by getting an increase of wages, it is one on which they have a perfect right to enter. We propose next to inquire whether this object is attainable, and, if so, what will be the consequences of success.

In the contest we are now to review, the class of intellectual laborers may be considered as simple spectators, having no interest in it beyond that which every member of the community has, — that is, an interest in having everything necessary to his comfort produced as cheaply as possible. Skilled laborers, working on their own account and with their own capital, may be included in the same category. Leaving out thes

and all other neutrals, the contest is narrowed down to one between the employers and the employed, or between the laborer and the capitalist. There is a certain division of the combined product of labor and capital between these classes. The laborer is dissatisfied with his share, and is trying to increase it. What will be the ultimate effect on his own interests if he succeeds? This question involves some of the most intricate and least understood principles of political economy, and must therefore be approached with some considerations of a general nature. These considerations have especial reference to the interest of the laborer in the capital of others; to the conditions under which capital is accumulated; and to the effect of the absence of conditions favorable to that accumulation.

How are we to define capital? Usually it is defined as that part of the wealth of a country which is kept, not for its own sake, but to be employed further in production. This definition suffices to give a general idea of what capital is. But when we examine it closely we find it impossible to make a distinction between wealth kept for its own sake and wealth kept to aid in the production of more wealth. Indeed, if we take the term "production" in its widest sense, the definition will include everything in the shape of material wealth, since the object of all such wealth is the production of that immaterial wealth termed "gratification of desires." And if we suppose the term "production" to mean production of material objects only, this will leave capital to mean all wealth except that which comes last in the chain of material causes leading to the gratification of desire. We shall thus frequently be troubled to say which is the last link. Take the winter's supply of coals for our dwellings. This is designed for the production of heat, and if we regard heat as a product, then the coal falls under the head of capital. But we apprehend that few economists would consider it such.

The complex nature of political economy, its peculiar association of things so spiritual as hopes, fears, and desires with things so material as ploughs, ships, and steam-hammers renders an accurate classification of the objects about which it reasons very difficult. Any classification founded on the ex-

ternal qualities of objects will be worse than useless. For the science in question is essentially moral. The cause with which it begins is human desires; the effect with which it ends is the gratification of those desires. Its definitions should, therefore, be founded on moral considerations, physical objects being classified with reference to the mental states with which they are connected. Under this system an object which belongs to one class when you own it, may belong to another when you sell it to your neighbor, and thus distinctions are introduced which, on a superficial view, seem fanciful. This defect, if it is a defect, inheres in the very nature of the science.

The essential properties of capital are, we conceive, best expressed when we define it as *all those products of past labor from the enjoyment of which the owners are abstaining for the sake of a future profit*. We do not pretend that this definition affords an infallible touchstone by which to determine immediately whether any known object is or is not capital, but only that it involves the essential idea of capital. In every-day language, a man's capital consists of all the money he has saved from his income, and put out at interest, or otherwise invested, so as to yield him a profit. The interest, or other profit, is the only inducement to save and invest. Unless his investment increases it will never yield him any greater advantage than it would if he should spend and enjoy it now, and the risk of losing it would prompt him to enjoy his money while he could.

It may not at first sight be evident that the wealth from the present enjoyment of which the owners are abstaining for the sake of future profit is identical with the mills which make our clothes, the warehouses which hold them, and the dwellings which the laboring classes rent, and indeed with that vast system of industrial machinery by which the community is housed, clothed, and fed. To make this clear, let us consider how a factory came to be built. To fix the ideas, we will suppose that it cost its owner \$100,000. Then, at the time of building, its owner must have been in possession of this sum of money, with the right to spend it as he chose. The case in which it was borrowed will be considered presently. Had he chosen he might have spent it on expensive furniture for his house, costly pictures, rare wines, and sumptuous dinners

for himself and his friends. Had he consulted only his temporary gratification, without care for the future, he would thus, as long as his money lasted, have derived much more pleasure from it than from the erection of a factory which would be of no service to him for several years to come. But since he could not with the same money obtain these articles of temporary gratification, and also build the factory, he has denied himself, and chosen the factory, giving up the temporary good of the present for the sake of a more enduring good in the future. Not, indeed, that the factory afforded him no gratification until he began to draw dividends from it, but that the gratification was only that which arose from a prospective good. What is true of the factory is true of every railroad, every warehouse, every stock of goods for sale, and every house built for rent. The money paid for all these, and other forms of capital, has been saved by the owners from expenditure upon their current wants, otherwise not one of them would ever have existed. If the projectors of any of these enterprises did not own the money themselves they must have borrowed it from some one else, and then it was the lender who denied himself the use of it upon his current wants, for the sake of the interest he expected to receive from it.

The profit on capital is Nature's reward for self-denial. From this point of view we see one reason why an uncivilized people never accumulates capital to any great extent. To the savage, a year hence is as distant as eternity. He may take thought of the literal morrow, but he feels little concern for the self of next year. The only object of saving capital being to benefit a future self, for whom he has no consideration, he never saves. In illustration of the depth of this defect, we may cite the difficulty of introducing agriculture among such tribes, arising from their persistent consumption of the grain which should be kept for seed.

The laborer has a direct interest in the increase of capital to the greatest possible extent. The destruction or diminution of capital inflicts more injury upon him than upon the capitalist. We have already shown that it is for the interest of the laborer to have the greatest possible number of comfortable houses built, and the greatest possible quantity of good and cheap

clothes manufactured. It can now be shown that everything the capitalist saves the laborer directly or indirectly gets the advantage of, in the shape of better houses, food, and clothes, and more articles of comfort or luxury. There is sound sense in the remark attributed to John Jacob Astor, that all he really got from his wealth was his food and clothing. All that the capitalist really takes as his share of the joint product of capital and labor is what he spends on his current wants. We shall prove this by showing that if he spends nothing on his current wants, but employs all his money as new capital as fast as he makes it, his laborers will have the benefit of his capital as completely as if they owned it themselves.

For this purpose let us return to the consideration of the factory. Its operatives and its machinery are employed in the production of clothes and other articles conducive to the well-being of the laborers. By building the factory the capitalist has increased the production of those articles, and cheapened their price, and so brought them within the reach of a larger number. But, it will be objected, he does not divide the cloth among the laborers, but makes all pay full price for it. This is true; only, as just now intimated, he does not get quite as much for it as it would have cost, had his factory not existed. But let us see what he does with the money received for the cloth. A large part of it is spent in paying the wages of the operatives. Another portion goes to keep the building and machinery in repair, and to form a fund for replacing everything as fast as it shall wear out. What is left after paying all expenses and keeping everything whole is the profit of the capitalist, and this is usually but a small annual percentage on the original cost. This profit is all the capitalist really makes by his enterprise, and, by hypothesis, he turns it all into new capital. If, then, we follow it into his pocket and out again, we may find him using it to build a block of dwellings which will be occupied by the operatives employed in his factory. So long as the latter occupy the houses, they get the benefit of them as completely as if they owned them. But in the latter case they would pay no rent, which they now have to do. To see whether this rent is lost to the labor of the country we must follow it, as we did the profit of the factory,

into the owner's pocket and out again. Population increasing, more cloth is required to clothe it, and more laborers are seeking employment. Accordingly the capitalist finds it for his interest to expend his surplus profits and rents in enlarging his factory and improving his machinery so as to make cloth of a better quality, and to make such other articles of comfort as the operatives and the public may wish to buy. We may continue the process indefinitely, and find the entire energies of the factory, including all the profits derived from it, constantly employed in ministering to the wants of the public, and especially to those of the laboring class.

To complete our demonstration it is only necessary to show that, if the factory were made over to the operatives in fee simple, they could hardly manage it better for their own interests, and might easily manage it a great deal worse. Suppose, then, that they come into absolute ownership. They may do what they please with the entire proceeds. They may, if they choose, spend them all on their personal wants, enjoying more expensive food, clothing, and houses, but reserving nothing to repair and replace the machinery. Should they continue in this way for a few years, the machinery would wear out. Then they would be worse off than ever. They must apply to capitalists for the means of replacing their boilers and engines. But if the entire capital of the country has been made over to the workmen in the same way, and all have been equally improvident, the condition of all will be deplorable. Expensive and complicated machinery is necessary to make engines and boilers, and if all the machinery of the country has deteriorated in the same way with that of the factory, then the latter can be replaced only at an enormous disadvantage, and all would be glad to purchase the use of a new outfit at a rate far exceeding that formerly paid to the capitalist as his profit.

But common prudence and foresight would warn the new owners of the factory against this improvident course, and induce them to lay up for the future. What portion of their net proceeds should they lay up? Just that portion which formerly went to the capitalist as owner. That is, when they come into possession of the factory, they must not, at first, try to better their condition, but must make the same division of the pro-

ceeds of the factory between their present and their future wants which was formerly made between themselves and the capitalist. What was before the share of the capitalist is now the reserved fund of the laborer. Following up our inquiry to see how this reserved fund shall be employed, we shall find it disposed of substantially as when the capitalist owned it, that is to say, one part will go to repair and replace the machinery, and another to build new and better houses for the operatives and their increasing families. But the operatives will not have to pay rent for their houses. True; but if they do not pay the equivalent of the rent into their reserved fund, they will not have the means the capitalist had to enlarge the factory for the supply of an increasing population. We have seen the capitalist employing all his surplus rents and profits in this way, and if the laboring owners do not save as much to be employed in the same way, they will soon find themselves worse off than before they came into ownership. Since the same amount they once paid for rent must now go into the reserve fund, they will have nothing more to spend on their current wants than when the capitalist was owner. This process of paying the capitalist's share into a reserve fund would have to go on indefinitely, so that the laborers, by owning the factory, could never enjoy any more of the products of their labor than when they were employed by a thrifty capitalist, who spent all his profits in the increase of his capital.

A careful examination of our premises will make plain the limitations under which the results of our reasoning are to be accepted. We have supposed the capitalist to put the entire income from his factory into the form of more capital, whereas, of course, he does this only in part, since he must live, and will be likely to spend more on his wants than he could gain by his mere skill, unaided by capital. The amount he thus spends is all he takes from the reserve fund of the laborer. Again, we have supposed that when he built houses for rent, they were let to laborers. But he may let them to men not usually accounted laborers, — physicians or lawyers, for instance. Here we simply use the term "laborer" in a wider sense than is usual, including under it all who are not capitalists, or do not own houses for themselves. Again, when the capitalist enlarges his factory,

it may be to make fabrics which the laborers do not want,—fine silks, for instance. In this case the factory will tend only indirectly to make clothing abundant for the laborer by furnishing the wealthy with a substitute. The position we can take and maintain may, by these considerations, be reduced to this: If the non-capitalists, *laborers included, owned the entire manufactured wealth of the country, their condition could be permanently improved only to a very slight extent, and it is very likely that it would not be improved at all.* In fact, the proposition that any improvement at all in the laborer's condition would be thus effected can, we conceive, be maintained only on the questionable assumption that the business affairs of the factory or other form of capital would be as well managed under the new *régime* as under the old. This question will be considered further on. We may, however, in illustration of the preceding argument, cite the case of communities such as those formed by the Shakers. Here there is no capitalist, and no profits to be absorbed by him, but the entire product inures to the benefit of the laborer. Yet it is extremely doubtful whether the actual benefit that each individual receives from his labor comes up to the average received by the farmers and mechanics of society. In making the comparison it must be remembered, too, that no eight-hour rule prevails in these societies, but that all their members labor with a persistence and industry which most men would find irksome.

One more proposition, and we shall be ready to conclude this intricate subject of capital. Every non-capitalist, whether laborer or professional man, has an interest in his neighbor's being provident, and in his saving all the capital he can. This follows logically from the principle already laid down, that every increase of capital tends to the advantage of the non-capitalist. But the proposition is at the same time so important and so frequently ignored, that a further illustration of it is desirable.

While it makes little difference to John Smith, who occupies a rented house, whether that house burns down or not, it is of great importance to him that all the houses should not burn down, though they belong entirely to others. If only his

own burns down, he can soon rent another ; if all burn down, he must go houseless. The destruction of a single cotton factory is a small thing to any individual who is not an owner. But the total loss inflicted on the world is about as great as that inflicted on the owner, since the production of cotton is diminished by an amount equal to the total product of the factory.

The great point we wish kept clearly in view is this: while, as has been already shown, capital is the result of the exercise of individual self-denial, and while every member of the community, with the possible exception of the most wealthy capitalists, has an interest in the exercise of this self-denial on the part of his neighbors, there is no law which requires that exercise. Every member of the community is at liberty to spend all his income on his personal wants, and so do nothing to keep the public from that destitution which is the necessary lot of an improvident people. The only motive he has to pursue the opposite course is found, as we have seen, in the profit or interest which the less provident or less wealthy members of the community are always ready to pay him for whatever he can save. Deprive him of this, and the factories may decay, the spindles wear out, and the railroad cease its operation. We need say nothing more to illustrate the fatuity of that policy which would reduce the profits on capital by laws or industrial combinations. The policy of giving perfect freedom to the operation of the law of supply and demand, of allowing every one who can save capital to employ it in the most profitable way he can, and every one who desires to use it to borrow it in the cheapest market, is the easiest and best solution of the problem of dealing with capital.

A curious fact is to be noted in this connection. The hope of profit being the only inducement to save which acts on the great mass of mankind, there must be a certain minimum rate below which saving and investment will not be generally practised. This point, wherever it is, is the lowest to which the rate of interest can fall. The lowest average rate it has been actually known to reach for any considerable period is about three per cent, that is, such a rate that the accumulated interest will equal the principal in about thirty-three years. It ap-

pears, therefore, that, so far as the experience of the world has yet extended, men in general do not choose to make investments which will not pay for themselves out of the profits in thirty-three years, or in the average duration of the life of the investor, and thus that providence in money matters does not extend far beyond the life of the individual.

It is sometimes claimed that the great improvement in the condition of the laborer within the past century is due to combinations and strikes. It is true that strikes are frequently successful in gaining the terms demanded; but, in the opinion of the soundest thinkers, any terms gained by a strike could have been gained without it, only perhaps not so soon. And the grounds for this opinion seem quite tenable. A capitalist or employer will not be able to pay increased wages, unless he is making more than the usual profit in his business. Other capitalists will then be ready to step in and compete with him, and, in order to secure a profitable business, will bid higher for labor. This competition will continue until the wages bid will be as high as could have been obtained by a strike. We can therefore say this, and no more, for strikes: if every strike were immediately successful, the workmen would command an increase of wages sooner than if they had not struck.

To balance the account, we must debit the striking system with what it costs the laborers themselves. Could this be calculated, the figures would excite astonishment. The items would be divided under the following three heads:—

(1.) The money cost of the strike shown by the advances made by trades unions to sustain the strikers. There are, of course, no statistical data for estimating the total amount thus expended, but it probably includes a large fraction of the contributions levied by the unions on their members.

(2.) The loss and distress to the strikers arising from the absence of their usual wages during the strike, this loss being only partly made up by the contributions just mentioned. These two items combined make the sum-total of the wages during the strike, or its total money cost. If the sufferings frequently undergone by the workmen and their families are taken into account, it will be conceded that the mere money cost of the strike does not give any adequate idea of what those who take part in it undergo to enforce their rights.

(3.) The indirect loss to the entire laboring community arising from the higher price and greater scarcity of the articles that the strikers were engaged in producing. This item might be a large or a small one according as these articles were mainly consumed by the poorer or the more wealthy classes. In the former case, after the strikers were all victorious, they might find their dearly bought increase of wages entirely absorbed by the increased cost of houses, clothing, and food arising from a general strike. A fair balancing of the account will, we conceive, show a large balance against the strikes.

We have endeavored in this review to trace the efforts of the present labor organizations to their ultimate effect upon the true interests of the laboring community. We have found that, instead of tending to improve the condition of the laborer, they tend to make it worse. They wage war against capital and production, while it is for the interest of the laborer that both shall be increased as much as possible. If they ever succeed in getting a general increase of wages it is at great cost, and is then in great part paid out of their own pockets in the form of an increased cost of the necessaries of life. We have found that the restrictive system works no better when operated by a voluntary association of men than when enforced by a government. Having thus completed the thankless task of showing that the laboring classes will not be bettered by the success of the present labor party, let us next inquire how their condition may be improved.

Taking into account all the circumstances of the problem, we conceive that the more extended introduction of the system of co-operation is the most practicable method. Under this system the workmen combine, not to fight the employer, but to compete with him on his own ground. If they can command the necessary capital they dispense with the services of the employer entirely, the same number who under the hiring system might be working for one employer now working in copartnership. If the business requires machinery too expensive for them to command they work in copartnership with the capitalist, receiving in lieu of a part of their wages a share in the profits. A remarkable instance of the success of the latter plan has occurred in South Yorkshire, England, within the last few years. The col-

liery of Briggs & Co. had been peculiarly unfortunate in its relations to the miners, war having been waged for years by strikes on one side and "lock-outs" on the other. Mr. Briggs resolved to try an experiment. The property in the colliery, valued at £90,000, was divided into nine thousand shares of £10 each, and a joint-stock company was formed on this basis. Three thousand shares were offered to the miners and the public. To fix the share of the workmen in the profits, an imaginary capital was formed, of which the wages of the workmen were considered as the interest. The rate of interest to be allowed on both the real and fictitious capital was ten per cent; this fictitious capital was, therefore, ten times the annual wages of the workmen. Whatever could be gained above the interest was to be divided annually between the workmen and the shareholders as profits. If the proceeds of the colliery did not divide ten per cent, the loss fell entirely on the owners proper. The success of the project was almost magical. Every miner, now feeling himself a stockholder, exerted himself for the common good. For two or three years the surplus profits sufficed to add a considerable percentage to the wages of the laborer, as well as to form a reserve fund against a time of business depression. Equally great was the improvement of the personal relations between the laborers and the owners. The former sentiments of the laborers were expressed by the declaration of one of their number in a public harangue, that "Mr. Briggs wanted only horns and hoofs to be the very Devil." With the success of the new arrangement the opposite sentiment was expressed in nearly as extravagant a manner.

We are far from maintaining that success such as this, or great success of any kind, is to be expected as a general rule. In fact, we conceive that the chief danger to the new system comes from the extravagant expectations of its ardent friends. To the enthusiastic reformer no movement which will do less than revolutionize society, or prove an infallible panacea for some social ill, seems worth supporting. Therefore, having taken up the plan of co-operation, he lauds it as that which may put every workingman on the high-road to wealth. If the projectors set out with such an idea as this they will be sure to meet with disappointment. To guard against this

misfortune, our inquiry into what good may be effected by co-operation must be prefaced by some statements of what co-operation will not succeed in doing.

No system yet discovered will lead to that Utopia of the labor reformers, in which every workman in the land shall indulge himself in the daily consumption of commodities requiring two days' labor to produce. No community will ever enjoy more or better houses than can be built and kept in repair by its bricklayers and carpenters, better clothes than can be made by its operatives and tailors, or more food than can be produced by its farmers. Labor will never effect anything without capital, and it will never command capital without paying for it, either directly or indirectly. The combined efforts of labor and capital will effect no more than they now do, unless the laborer works with more steadiness, and practises more economy than now. Until these efforts are more effective, the laborer will enjoy no more wealth than now.

To see what a co-operative association cannot do in a particular case, let us consider the management of a printing-office. An association of printers, before undertaking such an enterprise, will wisely inquire into the amount of money yielded by such an office under the old system, and the distribution of that money among the several parties interested in the office. The result may be put into such a form as the following: —

In a well-managed Office.

Total sum received for printing	\$100,000
Wages paid printers and laborers	\$ 70,000
Services of proof-readers	5,000
Loss and wear of type,	3,000
Wear and tear of machinery, etc.	4,000
Rent of office	10,000
Office expenses and small losses arising from bad management	1,000
Manager's and capitalist's profit	7,000
	<hr/>
	\$ 100,000

In a badly managed office the receipts will be a little less, and the items of loss and wear of type and machinery a little greater, while the small losses will be largely increased. The

difference may not only absorb the \$7,000 profit, but may make the office lose money.

If the printers themselves run the office, they will have this prospect before them. If they work no more effectively than before, they will be able to earn only the \$100,000. Out of this they will have to pay the same amounts as the capitalist for the services of proof-readers, the wages of foreman, the wear of type and of machinery, and the rent of office; for we may be sure that he got everything at the cheapest rate. Subtract these expenses from the gross receipts, and the share left for the society will vary between \$70,000 and \$77,000, according to their managing ability. Out of this they must still pay the interest of borrowed capital, which may absorb what was before the profit of the capitalist. Therefore, unless the society possesses the business ability to manage the establishment well, the receipts of the individual members may easily be less than under the wages system. If this is the only result of the change of system, to what advantage, it may be asked, can the co-operative system lead? If the laborer, working as industriously as now, and spending as much on his wants as now, can reap no advantage, why propose the change?

It must be admitted that no advantage whatever will follow, as a matter of course. The gain is not necessary and direct, but mainly incidental, indirect, and dependent on accidental circumstances. We have seen that the frequent cessations of labor from disagreements between the workmen and their employers about the rate of wages is a source of loss to all parties by diminishing the supply and increasing the price of those products the workmen who have become idle might be producing, as well as causing the latter the loss of wages during the term of disagreement. Under the new system there would be no such disagreements, unless the co-operative association should refuse to work for such prices as the public might be able and willing to pay. Such a course would seldom or never be resorted to, because its injurious effects would have become more obvious than when the members were working for an employer, and also because, being capitalists as well as laborers, they would sustain the loss upon idle capital as well as that upon idle labor. The producers being always at work for the public on the best

terms they could command, their products would be cheaper and more abundant, which would be for the advantage of the public, and the price of the product being varied to meet the varying demand, the latter would be kept up, and the producers would always find employment, which would be in like manner for their advantage.

The steady employment of every producer in the way most advantageous for production being the first object of every wise system of labor, it may be advisable to glance at some causes which interfere with its attainment, and to show that they will not operate so strongly under the system of co-operation. Prominent among these causes is a certain benevolent trait in human nature itself, which makes it repugnant to our feelings to "drive a hard bargain" with one whose services we desire. If we felt equal repugnance in refusing his services entirely this trait would be less injurious in its effects. Unfortunately, such is not the case. An employer feels no compunction in telling a workman he has no occasion for his services, however great the needs of the workman may be. So he will sometimes refuse to employ him, when, by employing him at less than the regular wages, a bargain advantageous to both parties might be made. The consequence is that the workman is driven to seek employment of some one who has no compunction in employing him on the hardest terms to which his necessities may compel him to submit. Thus, in our cities when business in a trade is very dull, it sometimes happens that the more needy workmen in that trade are employed by the less reputable class of employers at half the usual wages, and large numbers of others are out of employment, when employment could be found by all, if their wages were reduced one fifth.

It may be asked, Does not this very state of things show the expediency of having a fixed rate of wages for each class of workmen, from which none shall depart? We reply yes, if that rate is always adjusted to the varying state of the market. When the demand for laborers of any particular class falls off, their true interest, or, to speak more precisely, the true interest of the laboring classes generally, will be found in a voluntary reduction of the rate of wages of the particular class referred to. When the demand is restored the rate should be increased

again. The criterion by which to determine that the true rate is fixed is, that all who desire work at the fixed rate shall be able to find it; in other words, that the demand shall be made to correspond with the supply. We say, all who desire work; because, if any one conceives the wages too low to make it for his individual interest to accept them, it is his right to refuse, and either remain idle until the demand is restored, or to enter some other employment.

Under the system of working for hire such an adjustment would be subject to the inconvenience that in many cases a reduction of wages would inure entirely to the benefit of contractors, and a rise of wages would come entirely out of their pockets. In our cities contracts for building are usually concluded in the spring, though they may not be filled until autumn or later. Indeed, whenever made, they must be founded on an estimate of the price of labor several months in advance, and if this estimate proves erroneous, the contractor is generally the sole gainer or the sole sufferer. Now, as we have already shown, when each laborer, or association of laborers, sells its products in the public market on the most advantageous terms, all the inconveniences attending the alteration and adjustment of the rate of wages are avoided.

Another incidental advantage of the co-operative system is the stimulus it will necessarily give to the cultivation of economy and business habits on the part of the workmen engaged in it. The want of business ability on the part of the laboring classes is perhaps the most serious obstacle in the way of the new system. Indeed, it might be argued with great force that its general introduction into this country is impracticable for this very reason. It might be said that our people are so versatile, the field for the employment of skill and capital so large, and the opportunities of becoming an employer of labor so numerous, that no one possessed of the ability to manage any business need remain a laborer for hire. Consequently, the very fact that one belongs to the latter class is evidence that he does not possess business ability, and it is useless to expect skilful business management on the part of any association of laborers for hire.

If the premises of this argument are granted, the conclusion

is unavoidable. But the question whether there is any latent managing ability on the part of our laborers is one that can be decided only by trial. The data for forming an intelligent judgment of the question are extremely meagre. Strange as it may appear, the seeker after such knowledge finds it much easier to inform himself of the condition and doings of the laboring classes of England and Germany, and even of France, than of those of our own country. Within the last few years a great many books have appeared in Europe, giving detailed accounts of the labor organizations in those countries, their efforts and their prospects. A commission to inquire into this subject was appointed by the British Parliament, and its report may be considered as exhausting the subject, so far as the facts are concerned. In this country we have nothing, or next to nothing, in a permanent form. We have labor unions in all our principal cities, but of the details of their organization and internal management the public knows nothing. They are rarely heard of except when some agitating subject, like a strike or the admission of a colored member, is under discussion, and when the subject is disposed of they again fall back into obscurity. A few years since the Congress of the United States enacted a law that eight hours should be a legal day's work for laborers in the employ of the government, but for what reason can only be guessed at. A search through the Congressional Globe for the speeches made on the occasion would probably lead to no information more satisfactory, and to no better reason, than that eight hours is enough for a man to work.

With a field so uncertain to work in, it is all-important that the first trials of the system of co-operation shall be made in those branches of business which require the least amount of business ability or of special training. Such are most of the mechanical trades in which the chief value of the thing produced arises from the labor expended on it by a single set of mechanics. In the manufacture of the coarser articles of furniture, for instance, the business could be successfully conducted without much training; the skill principally required being that of the mechanic himself, and the amount of capital to be invested in raw material being so small that fluctuations in price would not be ruinous to the producer. Not dissimilar are most of the

branches of house-building. In building a house one must now employ at least five contractors, the bricklayer, carpenter, painter, plasterer, and plumber. The principal business of each contractor, as such, is to see that his men do their work properly. Why should not the services of four out of the five be dispensed with, and the responsibility for the general excellence of the work rest upon a single contractor, the workmen themselves, under a supervision of their own choice, being trusted for the proper execution of the details? Only because now there is no trustworthy association among the workmen, and the latter are in this respect profoundly indifferent to their own interests. The present unions are organized on the idea that they are exclusively laborers for hire, and discourage rather than encourage any such independent action as that which we have spoken of.

The business of buying and selling is the least favorable for the introduction of co-operation, because capital and business skill are the principal requisites to success, and mere labor, skilled or unskilled, an element of comparatively little importance. The brilliant success of the Rockdale co-operative store proves nothing except what may be accomplished by industry, frugality, and good management under favorable circumstances. We hear of the successes of such attempts, but not of the failures. Many years ago the system was tried in Massachusetts on a large scale, under the very common impression that the retail grocers were making enormous profits, and that the consumers could save a large part of the profits by having "union stores" of their own. The success of the attempt was anything but brilliant. We have no statistics from which to draw an accurate conclusion, but we believe the cases of failure were far more numerous than those in which more than ordinary business profits were made.

The fact is that in these schemes, and in most schemes of trading now urged upon the working classes, the mistake is made of aiming at two objects, which have no necessary connection with one another. These are, buying and selling for a profit by dealing with the general public, and supplying the members themselves with goods at a rate cheaper than that at which they now purchase by retail. The proposed mode of carrying out these objects is to set up a store, owned by a large association, for the sale of goods to members of the association and

to the public. If the members receive no favors in dealing with it, which is the proper course, the profits will be the same as in the case of a similar store equally well managed by a private individual. But such a store does not, on the average, yield more than the regular profit on capital, the owner sometimes failing entirely, sometimes making a moderate profit, and sometimes growing rich, according to his judgment and skill in managing his business. Therefore, to succeed, the association must exercise this judgment and skill in the same degree with the regular dealer. If the members receive favors, the cost of these favors will necessarily come out of the profits to be divided, thus diminishing them, and increasing the chance of failure. Accordingly, the establishment of co-operative stores cannot result in supplying an association with cheap goods, unless in very unusual cases. It is simply an attempt to do by a large association what can be better done by an individual.

If we compare the wholesale and retail prices of the same goods in the same market, we shall frequently find a difference which seems quite unreasonable. In the cases of books and market produce the retail price exceeds the wholesale by from thirty to sixty, and even one hundred per cent. It may well be asked, Is there no way in which the poor can supply themselves with articles of daily consumption at something near wholesale prices? Undoubtedly, if they will take the proper course. To judge what is the proper course it is necessary to know the cause of the evil. If we inquire into this cause, we shall find that the advance of the retail on the wholesale price is what is paid by the consumer for certain advantages and accommodations, namely, the privilege of getting his goods,—

- (1.) At any time that he may want them ;
- (2.) In any quantity that he may desire ;
- (3.) Of any quality that he may desire ;
- (4.) At some convenient place ;
- (5.) On credit, when he desires it.

To fulfil the first condition it is necessary to maintain a supply of goods, and to have some one to attend to them. This costs interest on the investment in goods, rent of building, insurance against fire, water, and burglars, and wages of store-keeper. The second condition involves the labor of measuring

or weighing the goods in parcels to suit purchasers, and a certain amount of waste. The third condition requires that the supply should be very large and varied, in order that every one shall be able to suit himself. A large and expensive store is therefore necessary, and a large amount of labor has to be expended in showing the goods to customers. The fourth condition requires the store to be situated in some place where rents are exceptionally high. The fifth condition involves a risk of bad debts, which must be met by an addition to the price of the goods. The necessary cost of fulfilling these different conditions makes up the entire difference between the wholesale and retail prices. Consequently the only way to get goods cheaper than under the present system is to give up some or all of the accommodations which that system is designed to secure us. The store and storekeeper must be dispensed with entirely. The members of the association must agree upon some particular designation or quality of goods, with which all are to be satisfied ; they must contribute cash for the purchase in advance ; and when the goods arrive in bulk they must divide them among themselves. If there is anything impracticable in such a plan of operation, it is simply that human nature will not permit men to submit to all these restrictions, and that the difficulty of agreeing upon any definite quantity of a designated article would be insurmountable, or at least would cost more to surmount than the system would save. The question of practicability can be settled only by actual trial.

We cannot expect much from the co-operative system unless it shall include the employer as well as the laborer in its associations, and thus command capital and skill as well as mere labor. The case of the Briggs Colliery, already cited, furnishes an example of the success of this plan. We see no reason, even in human nature, that foe of ideal perfection, why the capitalist, the master-workman, and the laborers should not work together as members of a co-operative union. The laborers would then have an opportunity to learn something about business, and to acquire business habits in all cases where such habits were possible. The nature, duration, and conditions of the associations should be determined by the exigencies of each particular case, and the few general rules which

can be laid down respecting them are mainly negative. Among the most important is this, — no restrictions should be placed on the independent action of each association. The members of each association should be allowed to work six, eight, ten, or twelve hours per day, according to their individual necessities, or the briskness of the demand for labor. When the different members of any one association chose different hours of labor, each should share in the proceeds in proportion to the amount of labor he furnishes. When the demand for labor is unusually great, and the price which can be obtained unusually high, the members will naturally work harder than when the opposite is the case, and they will thus provide themselves with means to meet the recurrence of dull times. Instead of having every workman bound down to an invariable standard, which has no connection with his necessities or the state of the labor market, each will be nearly as independent as if working exclusively on his own account.

The unavoidable conclusion of our extended inquiry into the existing state of things is that no sudden and universal improvement in the condition of the laboring classes is possible. But it does not follow that there is nothing to be done by those who have the interests of the laborers at heart. If no sudden improvement is possible, a gradual one may be. If we compare the comforts enjoyed by every class of society now with those which were possessed a hundred years ago, we shall see an immense improvement. With the increase of the means of production, and the opening of new fields of industry, we may hope for continued progress in the same direction. But we must not disguise the fact that there is another cause which not only tends to retard this progress, but operates in the contrary direction. We refer to the necessary diminution in the supply of certain of the raw materials necessary to production.

If we trace back the steps in the production of any article of utility, we shall find ourselves ultimately dependent on certain natural agencies and materials for all our means of subsistence. Such are the heat and light of the sun, the soil which furnishes the growth of the vegetable world, the rocks and minerals hidden in the earth, the streams which flow over its surface. Deprived of these, the human race would cease to exist. Now,

when we enter upon a close inquiry, we find that while certain of these agencies are unlimited in amount, and equally free to all, there are others of which the supply is limited, or of which all cannot equally avail themselves. The heat and light of the sun, for instance, belong to the first class. But there are only fifty millions of square miles of land on the surface of the globe, and the surface of productive soil is much smaller. In a densely populated community the amount of land within reach of any one individual is very small indeed. Again, navigable rivers run by the doors of very few. The total amount of water-power in any State of the Union is extremely small, while coal, iron, lead, and copper are found only in certain favored localities.

The inevitable consequence of this state of things is a continual diminution, as population increases, of the amount of these agencies which is at the command of each individual. If this were all, it would affect all classes nearly alike. But it is well known that these materials and agencies, as fast as they become available, are in the main appropriated by individuals, through the agency or consent of government, and are then held as private property. Such is the case with the soil and the minerals beneath it. The owners of this property charge as much for the use of it as if it were their own creation, and not that of nature. The price thus charged, termed "Rent" by the English economists, necessarily increases with the increase of population. In England, where nearly all the land is held by a small fraction of the population, rent is an important element in the cost of that portion of the food of the people which is raised in that country. Against this policy the laboring class has reasonable ground of complaint. The doctrine that the soil is of natural right the common property of the human race, and that each individual should be allowed to enjoy his share, is now tacitly admitted by many eminent economists of England and France. If this right could be enforced, the rent of all the land of any country — England, for instance — would be divided among the inhabitants, and the poorer classes would be made wealthier by the amount thus distributed. It must be borne in mind that the right here referred to is only that to the soil itself, in a state of nature, and not to the improvements which have been made by labor. Unfortunately, the soil and the improvements are practi-

cally inseparable. It has even been claimed by some that the soil never has any value apart from the improvements, — a proposition which can be accepted as true, we conceive, only through a misunderstanding of the question. That lands on which the owners have never bestowed a day's labor are every day sold at prices ranging from \$1.25 per acre to \$10 per foot; that every portion of land brought into market is owned by some one to the exclusion of every one else; that the number of acres is limited by Nature herself; and that the productiveness of land is not proportional to the labor expended on its improvement, are incontrovertible propositions.

In view of these facts, and of the importance of land to the future laborer, our laboring classes have just cause of complaint in the wasteful spirit with which Congress is always ready to "donate" the public lands to railroad corporations. Since the decadence of the whiskey ring, the railroad rings are perhaps the most powerful in Washington. Their relative success illustrates that peculiar feature of congressional political economy which encourages enterprises in proportion to their inability to pay. For many years past Congress has been besieged for authority to build a railroad from Washington to New York, no charge whatever being made for the service. The projectors have hitherto been successfully opposed, really on the ground that the usefulness of the road would be so great that the owners would make an inordinate profit. On the other hand, a company proposing to build a road in the new States can get a bonus of a thousand acres of the public lands for every mile or two of road built, by simply trying to show that otherwise their road will not pay for itself. In every such gift the government parts with what may be of the utmost importance to the laboring classes in future generations. While we cannot agree with the extreme views of those who would give every one a free homestead, and make it inalienable, we do hold that Congress should do everything in its power to prevent the aggregation of immense landed estates in the hands of individuals or of corporations.

In the course of this review we have glanced at some of the efforts now making by the laboring classes to improve their condition. We have shown wherein some must fail, and pointed out the obstacles which stand in the way of the best-

directed efforts. The thoughtful reader will not fail to notice that the most serious obstacle was found in human nature itself, and this in the nature of the laborer himself, rather than in that of the men with whom he has to deal. We have no difficulty in showing how every other obstacle may be removed. The secret of success lies in organizing the labor of all who in any way work together so as to make their combined efforts the most effective possible. But if they do not know how to organize successfully, it is useless to make the effort. The general intellectual improvement of the laboring classes is therefore the first condition of their physical improvement. It may be said that this is one reason for lessening their hours of labor, since the fewer hours they are engaged in physical exertion, the more energy they will have left for mental improvement. Unfortunately, it is only in rare and exceptional cases that an uneducated man can be educated intellectually. He may learn a great deal, but learning is not education. The mode of thought of nearly every human being is fixed before he attains his majority, and a correct mode of thought is the very thing which is wanted. There is, besides, no reasonable probability that a mechanic who does not improve himself intellectually when working ten hours per day will succeed any better when his hours of labor are reduced to eight. It is a significant fact that it is only in Germany — the country which enjoys the best system of universal education — that the co-operative system has ever gained much ground, or been generally successful. In France fully half the attempts have been failures.

One important want is the introduction into our public schools of the study of political economy. We do not mean the science as developed by McCulloch and Mill, but the elementary principles which may be illustrated by the facts of every-day life. The views of the pupil should be so expanded that he can see the fallacies of that popular system of political economy which seems to grow in every uneducated mind as naturally as does the notion that the earth is flat and immovable. The works of Bastiat contain an admirable and, we regret to say, unique collection of illustrations of those fallacies. In the absence of any work designed for common schools we may cite some principles which we conceive capable of being taught to

the majority of youth. Half at least of the boys between the ages of fifteen and twenty might be made to see that the community is a co-operative association in which each one, while having only his own good in view, does still work for every one else ; that labor is the only source of wealth ; that the amount of wealth which the community enjoys can be increased only by increasing the amount or the effectiveness of labor ; that the money paid for every product of labor is divided among those producers ; that the income of every member of the community is equally spent in giving employment to others, whether he be a spendthrift or a miser, whether the immediate object of expenditure be clothing or bank-stock ; that the man of wealth, when he invests his money, employs it in the way most advantageous to the laboring poor. A large proportion might be carried a little further, so as to see some of the relations between capital and labor, and some of the causes of the great inequality in the wealth of individuals. The notion that the capitalist takes what belongs to the laborer might also be met by showing that the latter is quite at liberty to dispense with the help of the former, and that it was only because the former chose to save his money that he became able to employ labor at all. The necessity of skill and knowledge to organize labor and make it effective, and the rightfulness of allowing the possessors of that knowledge and skill to get whatever share they are able of the profit which comes from them, and the impossibility of their getting more than the benefit they themselves confer might complete the course.

These principles, we repeat, seem to us capable of comprehension by youths whose minds are not preoccupied by false theories. Those who do master them would be able to judge better of the action and the capacities of the social, wealth-producing machinery of the country than the majority even of our legislators now are. We are aware that it is the fashion to decry all such instruction on the ground that it is of no practical use. We believe, on the contrary, that instruction in general principles, irrespective of any special application, is just that which is most needed. It is about these mainly that men differ. What makes the difference between a Republican and a Democrat, between a free-trader and a protectionist? Is it

that the one possesses any practical knowledge of facts, or any practical experience in life which the other does not? Clearly not. The difference between them lies much deeper, and is to be looked for in their general views of the principles of social organization and the objects and effects of industrial activity. What makes the proposed instruction more necessary is that each one conceives the general principles from which he reasons so obvious that he seldom or never takes the trouble to examine them critically. Not only the will, but even the power to make such an examination seems reserved to the educated few. Yet, if it is from such principles that the great differences of opinion flow, all discussion which is not directed to the examination of these must fail of its object. It is therefore only to the more thorough education of the masses in such general laws of wealth as those which we have pointed out that we can look for great improvements in our social policy.

SIMON NEWCOMB.

ART. VII. — 1. *Publications of the Chaucer Society*. London. 1869-70.

2. *Étude sur G. Chaucer considéré comme imitateur des Trouvères*. Par E. G. SANDRAS, Agrégé de l'Université. Paris: Auguste Dusand. 1859. 8vo. pp. 298.

3. *Geoffrey Chaucer's Canterbury-Geschichten, uebersetzt in den Versmassen der Urschrift, und durch Einleitung und Anmerkungen erläutert*. Von WILHELM HERTZBERG. Hildburg-hausen. 1866. 12mo. pp. 674.

4. *Chaucer in Seinen Beziehungen zur italienischen Literatur. Inaugural-Dissertation zur Erlangung der Doctorwürde*. Von ALFONS KISSNER. Bonn. 1867. 8vo. pp. 81.

WILL it *do* to say anything more about Chaucer? Can any one hope to say anything, not new, but even fresh, on a topic so well worn? It may well be doubted; and yet one is always the better for a walk in the morning air, — a medicine which may be taken over and over again without any sense of sameness, or any failure of its invigorating quality. There is